EXPLANATORY MEMORANDUM TO THE

THE STUDENT FEES (AMOUNTS) (ENGLAND) (AMENDMENT) REGULATIONS 2006

2006 No. 2382

1. This explanatory memorandum has been prepared by the Department for Education and Skills and is laid before Parliament by Command of Her Majesty.

2. Description

2.1. These Regulations amend the Student Fees (Amounts) Regulations 2004 (S.I.2004/1932) by increasing the basic and higher amounts of tuition fees that may be charged to full-time undergraduates in respect of an academic year beginning on or after 1st September 2007.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative Background

4.1. Section 23 of the Higher Education Act 2004 imposes a duty on the Secretary of State for Education and Skills to set a condition on the grant paid to the two funding bodies for Higher Education in England: the Higher Education Funding Council for England and the Training and Development Agency for Schools. The condition requires the funding bodies in turn to impose a condition on the grant they pay to English Higher Education Institutions (HEIs) relating to the tuition fees to be paid by full-time undergraduates.

4.2. Section 24 of the Act sets out the requirements of the condition of grant. It stipulates that an HEI which has an access plan approved by the Director for Fair Access must not charge fees in excess of the limit approved in that plan, which must not be more than the higher amount. An HEI which does not have an access plan must not charge fees in excess of the basic amount. Section 24 also sets out the sanctions which should be imposed on any HEI that breaches the condition; and specifies that the basic and higher amounts should be prescribed in regulations.

4.3. Section 26 of the Act sets out the arrangements for making increases to the basic and higher amounts, and the arrangements for approving regulations under section 24. No regulations may be made by the negative procedure increasing the basic and higher amounts unless the Secretary of State is satisfied that the increase is no greater than required to maintain the value of the amounts in real terms.

5. Extent

Amendments made by this instrument to the 2004 Regulations apply to England.

6. European Convention on Human Rights

As this instrument is subject to negative resolution procedure and does not amend

primary legislation, no statement is required.

7. Policy background

7.1. HEIs in England which have an access plan approved by the Director for Fair Access are allowed to charge variable fees not exceeding the level approved in their access plan, which cannot exceed the higher amount (£3,000 for an academic year beginning on or after 1st September 2006). HEIs in England which do not have an access plan are only allowed to charge fees up to the level of the basic amount (£1,200 for an academic year beginning on or after 1st September 2006).

7.2. This instrument amends regulation 4 of the Student Fees (Amounts)(England) Regulations 2004 to increase the basic rate to £1,225 and the higher rate to £3,070 in respect of an academic year beginning on or after 1st September 2007. It also amends regulation 5 of those Regulations to increase the half rate basic and higher amounts that apply in respect of specific courses to £610 and £1,535 respectively.

7.3. The increases to the basic and higher rates of tuition fee have been calculated with reference to the All Items Retail Price Index Excluding Mortgage Interest Payments (RPI-X). This is the index of prices set by the Student Fees (Inflation Index) Regulations 2006 (SI. 2006 No. 507), and is the same measure of inflation used to uprate the amount of loans and grants for maintenance that are available to undergraduate students.

7.4. The basic and higher rates have been increased by using a forecast in the rise of the RPI-X to provide the best available match with inflation in the period in question.

7.5. The forecast used is the Treasury's mid-May forecast of the rise in the RPI-X during the calendar years 2007 (2.4%) and 2008 (2.3%). This has been adjusted to apply to the academic year 2007/08. The first four months of the academic year (which begins on 1st September) fall within the calendar year 2007, and the remaining eight months fall within the calendar year 2008. Accordingly, the basic and higher tuition fee rates have been increased by 2.333%, this uprating factor having been calculated by adding together one third of 2.4% (0.800) and two thirds of 2.3% (1.533).

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is minimal.

9. Contacts

Cliff Woods at the Department for Education and Skills in London Tel: 020-7925-5353 or e-mail: cliff.woods@dfes.gsi.gov.uk can answer any queries regarding this instrument.